

tion when measured in gold. It was not merely a difficulty which weighed upon the local administration, but it affected every British officer in India who received his pay in silver rupees, originally worth about forty-eight cents, but which had been steadily declining in gold value. A remittance by bills of exchange on London to family or creditors at home meant a shrinkage of nearly fifty per cent, in the nominal value of the money received in India. These troubles led to the appointment of a special committee of able financiers by the Secretary of State for India on October 21, 1892, who submitted their report on May 31, 1893.

Rumors of the character of the report of the Indian Currency Committee began to circulate in London early in June, but their proposals still lacked the sanction of executive action. It was not until June 26, 1893, that ^^{was} officially announced that the Legislative Council of India had ordered, with the approval of the home government, the closing of the mints to the free coinage of silver on account of individuals. It was proposed at the same time to fix the exchange value of the rupee at one shilling, four pence, or the equivalent of about thirty-two cents in United States money. Such a policy had been recommended by the Committee and was supported by the experience of Holland and Austria-Hungary, which had been able by suspending the free coinage of silver to float a large mass of silver and paper currency far above the bullion value of the silver and not far below parity in gold.¹ The net imports of silver into India for the nineteen English official years ending March 31, 1893, were \$704,040,907,-or an annual average of \$37,054,784, which had been much exceeded during the last eight years of the period. The market for nearly one-third of the annual production of the silver mines of the world was thus closed by the stroke of a pen in Downing Street.

The news of the action of the British government caused a profound sensation in the United States and increased the tendency to unreasoning panic. Secretary Carlisle had al-

¹ Report of Indian Currency Committee, Sec. 93-98.